

## INITIAL STATEMENT OF REASONS

### California Code of Regulations Title 15, Crime Prevention and Corrections Department of Corrections and Rehabilitation Corrections Standards Authority

#### ARTICLE 1. GENERAL PROVISIONS

**Section 1800, Purpose.** This new regulation was developed to describe the scope of the new regulations in Title 15, California Code of Regulations, Division 1, Chapter 1, Subchapter 7.

**Section 1806, Definitions.** This new regulation defines terms used throughout the following regulations.

In 2007, language was added to the California Welfare and Institutions Code (Chapter 1.5, Article 3, Sections 1970 through 1976) that set forth the requirements to finance the construction of local juvenile facilities. The definition of "2007 Local Youthful Offender Rehabilitative Facility Construction Funding Program" was provided to describe these regulations that implement and specify those statutes.

The definition of "Administrative work plan" was provided to describe one of the required elements in Section 1840, Proposal Evaluation Criteria. This definition is necessary for the purpose of developing proposal evaluation criteria for comprehensive plan for designing, performing and managing their proposed project. This term is also referenced in Section 1830, Proposal.

The definition of "Applicant" was added to describe those counties that are eligible for applying for funds under this funding program.

The abbreviation "Authority" was added for Corrections Standards Authority, an entity within the California Department of Corrections and Rehabilitation; the state agency responsible for administering the 2007 Local Youthful Offender Rehabilitative Facility Construction Funding Program in conjunction with the California Department of Corrections and Rehabilitation and the State Public Works Board.

The abbreviation "Board" was added for State Public Works Board, an entity within the California Department of Finance responsible for financing the construction through the 2007 Local Youthful Offender Rehabilitative Facility Construction Funding Program with lease-revenue bonds.

The definition of "Board of Supervisors' resolution" was developed to describe the document required from a County Board of Supervisors to demonstrate a county's commitment as referenced in these new regulations (Sections 1812, Eligibility Requirements and 1830, Proposal). This definition is necessary in order to describe the formal document, adopted by the county's Board of Supervisors, stating the county's intent to participate in the Local Youthful Offender Rehabilitative Facility Construction Program and to ensure the county's compliance with the regulations of this state bond funding program.

The abbreviation "CCR" was added for the California Code of Regulations wherein these Title 15 regulations will reside.

The abbreviation "CDCR" was added for the California Department of Corrections and Rehabilitation; the state agency responsible for California's state corrections system.

The definition of "Cash match", also known as "hard match", was provided to describe the money that is required to be applied as the county's share of an award of funding and is referenced in Sections 1814, Matching Fund Requirements and 1847, Pre-funding Requirements.

The definition of "Conditionally award state bond funds" was added to explain that receiving funds through this program is conditional upon meeting specific requirements. These requirements are important to assure that the participating county has a viable project, enabling the Board to issue lease-revenue bonds. This phrase is referenced in Section 1856, Disbursement of the Proceeds from the Lease-Revenue Bond Funds; Section 1868, Project Modifications; and Section 1872, Unused Proceeds of Lease-Revenue Bonds.

The definition of "Construction documents" was provided to define what constitutes a construction document submittal. This term is referenced in Section 1849, Submittal of Architectural Drawings and Specifications.

The definition of "Construction management" was added to describe a term in Sections 1812, Eligibility Requirements and 1814, Matching Fund Requirements.

The definition of "County" was added to assure consistency and clarity throughout these regulations.

The definition of "Design capacity" is referenced in Section 1850, Staffing Plan/Operating Cost Analysis, and was added to provide a consistent means of calculating costs per bed and square foot.

The definition of "Design development" was provided to define what constitutes a design development submittal. This term is referenced in Sections 1849, Submittal of Architectural Drawings and Specifications and 1850, Staffing Plan/Operating Cost Analysis.

The definition of "Detention alternatives" was provided to describe one of the required elements in Section 1840, Proposal Evaluation Criteria. Counties will be evaluated on their programming efforts designed to reduce recidivism among local youthful offenders. Programming, as used in this section, is not defined because it is a term of art that has a standard use and understanding in the probation industry.

The abbreviation "EIR" was added for environmental impact report; a required report as defined in the California Environmental Quality Act.

The definition of "Evaluation and rating process" was provided to describe the process of how each county's proposal will be evaluated. This process is consistent with past practice by the Authority in previous construction funding programs and was established in response to the limited state funds available. This process will assure that counties that conform to the requirements of statute and these regulations receive funding to the extent of available funds. This phrase is referenced in Sections 1876, Purpose and 1888, Request for Corrections Standards Authority Appeal Hearing.

The definition of "Facility administrator" is referenced in Section 1850, Staffing Plan/Operating Cost Analysis and was provided to describe that individual who will be submitting the preliminary staffing plan and operating cost analysis to the Board of Supervisors for review and approval.

The definition of "Facility lease" is referenced in Section 1854, Facility Sublease and was provided to describe a financing document between CDCR and the Board. It is referenced in Section 1854 because sublease is subordinate to the facility lease, showing the hierarchy of the lease documents.

The definition of "Facility sublease" is described in Section 1854, Facility Sublease, as a financing document between CDCR and a participating county that expresses the terms by which the county may use and occupy the local juvenile facility. It is referenced in Section 1853 to show where it fits in the hierarchy of lease documents.

The definition of "Ground lease" is described in Section 1852, Ground Lease, as a financing document between CDCR and a participating county. It is referenced in Section 1853 to show where it fits in the hierarchy of lease documents.

"Hard match" and "cash match" are used interchangeably. See cash match.

The definition of "In-kind match" (also known as "soft match") was provided to describe the cost of county paid personnel, land, or services that is required to be applied as a portion of the county's share of an award of funding and is referenced in these new regulations (Sections 1814, Matching Fund Requirements and 1847, Pre-funding Requirements).

The definition of "Large county" was added to describe counties with a general population of greater than 700,000 and is based on provisional estimates by the Department of Finance for July 1, 2007. There is a set-aside amount within the total available funds for large counties only, to assure that small, medium and large counties have the opportunity to compete for the funds equally. The large county category was defined by the county population size of greater than 700,000 to remain consistent with the Authority's past history of establishing small, medium and large categories for funding set-asides in previous grant and bond funding programs. This method has proven to be an equitable platform for distributing funds that benefit all counties regardless of size.

The term "Lease-revenue bonds" (also known as state bond funds) is used throughout these new regulations and was provided to describe the funding source for local youthful offender rehabilitative facility construction or renovation as authorized by Chapter 1.5, Article 3, Sections 1970 through 1976 of the California Welfare and Institutions Code.

The term "Local juvenile facility" is used throughout these new regulations and was provided to describe the types of juvenile facilities that are eligible to receive funding as authorized by Chapter 1.5, Article 3, Sections 1970 through 1976 of the California Welfare and Institutions Code.

Referenced in the new Sections 1812, Eligibility Requirements, 1814, Matching Fund Requirements, 1830, Proposal, 1847, Pre-funding Requirements and 1870, Audits, the term "Match" was provided to describe the local funds in the form of cash, property value, or management/administrative services contributed by a county for a state bond funded project pursuant to California Welfare and Institutions Code Section 1976.

The definition of "Medium county" was added to describe counties with a general population from 200,001 to 700,000 and is based on provisional estimates by the Department of Finance for July 1, 2007. There is a set-aside amount within the total available funds for medium counties only, to assure that small, medium and large counties have the opportunity to compete for the funds equally. The medium county category was defined by the county population size of 200,001 to 700,000 to remain consistent with the Authority's past history of establishing

small, medium and large categories for funding set-asides in previous grant and bond funding programs. This method has proven to be an equitable platform for distributing funds that benefit all counties regardless of size.

Referenced in the new Sections 1812, Eligibility Requirements, 1814, Matching Fund Requirements, 1830, Proposal and 1831 Needs Assessment Study, the term "Needs assessment study" was provided to describe the document that contains data that validates and justifies the scope of the construction/renovation project as required by California Welfare and Institutions Code Section 1975.

The definition of "Net gain in beds" was added to describe the number of beds being added to a county's juvenile detention system as a result of this funding. Counties are required to enter the net gain in beds on the 2007 Local Youthful Offender Rehabilitative Facility Proposal Form. This information is necessary for statistical purposes and tracking by the Authority.

Referenced in the new Section 1849, Submittal of Architectural Drawings and Specifications, the term "Operational program statement" was included to describe the document, submitted early in the design process, which explains how a County intends to operate a local youthful offender rehabilitative facility.

The term "Participating county" is used throughout these new regulations and was defined in California Welfare and Institutions Code Section 1970. It was included in this section to provide clarity and consistency.

The term "Project" is used throughout these new regulations and was defined in this section to add clarity and consistency.

"Project delivery and construction agreement" is referenced in the new Sections 1847, Pre-funding Requirements, 1848, Requirements for the Project Delivery and Construction Agreement, 1856, Disbursement of the Proceeds from the Lease Revenue Bond Funds, 1867, Completion of Project, and 1868, Project Modifications. This term is the title of a specific agreement between the participating county, State Public Works Board, CDCR and the Authority that sets forth standard contracting requirements for the State of California as well as other necessary information.

The term "Proposal" is used throughout these new regulations and was defined in this section to add clarity and consistency.

The term "Proposal evaluation criteria" is used in new Section 1840, Proposal Evaluation Criteria. This term was included in these regulations to describe how proposals will be rated by a weighted point scale system.

The term "Rated capacity" was added to describe the number of juvenile offender occupants as determined by the Authority to comply with specific regulations and to distinguish these beds from special use beds.

The term "Regional consortium of counties" was added to describe two or more counties bound together by legal agreements. This term is necessary and important to define for counties that are considering pooling resources to maximize local efforts to collectively address local youthful offender rehabilitative bed needs and programming in a particular region of the state. This term is referenced in Section 1831, Needs Assessment Study.

The term "Renovation" is used throughout these regulations and was defined in this section to add clarity and consistency.

The definition of "Schematic design" was provided to define what constitutes a schematic design submittal. This term is referenced in Sections 1849, Submittal of Architectural Drawings and Specifications.

The definition of "Scope of work and project impact" was provided to describe one of the required elements in Section 1840, Proposal Evaluation Criteria. Counties will be evaluated on how they describe their project and how it will impact the county's juvenile detention system.

The term "Site" is used throughout these new regulations and was defined in this section to add clarity and consistency.

The definition of "Small county" was added to describe counties with a general population of fewer than 200,000 and is based on provisional estimates by the Department of Finance for July 1, 2007. There is a set-aside amount within the total available funds for small counties only, to assure that small, medium and large counties have the opportunity to compete for the funds equally. The small county category was defined by the county population size of 200,000 or fewer to remain consistent with the Authority's past history of establishing small, medium and large categories for funding set-asides in previous grant and bond funding programs. This method has proven to be an equitable platform for distributing funds that benefit all counties regardless of size.

"Soft match" and "in-kind match" are used interchangeably. See in-kind match.

The definition of "Special use beds" was added to describe those beds that are not part of the rated capacity, but are included in the total number of beds. These are beds in medical, mental health or disciplinary rooms or units.

The term "Staffing plan" is used in the new Section 1850, Staffing Plan/Operating Cost Analysis and was added to describe the document that outlines the assessment and identification of staffing levels needed to operate the proposed project.

"State bond funds" and "lease-revenue bonds" are used interchangeably. See lease-revenue bonds.

"Youthful offender rehabilitative facilities" is a term used throughout these new regulations to describe county-owned structures meeting applicable Title 24 regulations in which county-operated programs take place for the purpose of the rehabilitation of youthful offenders.

## **ARTICLE 2. ELIGIBILITY REQUIREMENTS**

**Section 1812, Eligibility Requirements.** This new regulation was developed to explain how a County can be eligible to participate in the 2007 Local Youthful Offender Rehabilitative Facility Construction Funding Program. These requirements are consistent with statute and establish conditions, when met in their entirety by the county, make them eligible for funding under this program. It also describes what can and can not be funded through this program. These criteria are consistent with past practice by the Authority in previous construction funding programs and were established to ensure conformance with statutory requirements, as well as to create parameters in response to the limited state funds available. These eligibility requirements will maximize the state dollars, fund more projects and result in a greater number of youthful offender rehabilitative facilities constructed statewide.

**Section 1814, Matching Fund Requirements.** This new regulation was developed to reflect that new statutory language requires that counties contribute matching funds totaling a minimum of 25 percent of the total project cost. The regulation also describes those items that can be

considered cash match and in-kind match. The list of eligible expenditures for cash match is necessary to establish consistency in the project proposals and to ensure that costs not specifically associated with the youthful offender rehabilitative facility construction project not be allowed. The statutory 25% match requirement was broken down into "cash match" and "in-kind match" as it has been in previous construction funding projects administered by the Authority. The purpose of requiring county's to provide a minimum amount of cash match (10 percent of the total eligible project costs for large counties and at least 5 percent of total eligible project costs for medium and small counties), and a maximum amount of in-kind match (a maximum of 15 percent of the total eligible project costs for large counties and a maximum of 20 percent of total eligible project costs for medium and small counties), is to stretch the state dollars further while providing the ability to fund more projects thereby gaining more rehabilitative facilities for youthful offenders statewide. In order to provide further incentive to this end, counties that provide greater than required cash match will be accorded higher evaluation ratings in this area. This regulation also includes the statutory stipulation that counties below a general population of 200,000 can petition the Authority for a reduction of match.

### **ARTICLE 3. APPLICATION TO PARTICIPATE IN 2007 LOCAL YOUTHFUL OFFENDER REHABILITATIVE FACILITY CONSTRUCTION FUNDING PROGRAM**

**Section 1830, Proposal.** California Welfare and Institutions Code Sections 1970 through 1976 describe the financing of local youthful offender rehabilitative facilities through the 2007 Local Youthful Offender Rehabilitative Facility Construction Funding Program. The Authority is responsible for distributing these state funds and is using a competitive request for proposals process. This new regulation was developed to describe the requirements and elements for a proposal for the 2007 Local Youthful Offender Rehabilitative Facility Construction Funding Program. The proposal is required to be submitted utilizing the 2007 Local Youthful Offender Rehabilitative Facility Construction Funding Program Proposal Form attached to the request for proposals and approved by the Authority. The form provides a clear, concise and consistent format for the counties to record necessary information as listed in new Section 1830 (a) (1) through (5) that is essential in the evaluation and rating process. The Request for Proposals, Construction, Expansion or Renovation of Local Youthful Offender Rehabilitative Facilities is a single contract, specific document and does not contain rules of general application.

The 2007 Local Youthful Offender Rehabilitative Facility Construction Funding Program Proposal Form, published July 15, 2008, is incorporated by reference in the regulations. The form would be impractical, cumbersome and unduly expensive to publish in the California Code of Regulations as it is an twelve (12) page, inter-active form that is to be completed by the counties electronically, printed and submitted as the project proposal along with other required documents as attachments. The form is reasonably available to the public, via the Authority's website at [http://www.cdcr.ca.gov/Divisions\\_Boards/CSA/CFC/Index.html](http://www.cdcr.ca.gov/Divisions_Boards/CSA/CFC/Index.html) and upon request, directly from the Authority's business office located in Sacramento, CA.

Each of the required elements of the proposal are used as evaluation criteria (see Section 1840).

**Section 1831, Needs Assessment Study.** Welfare and Institutions Code Section 1975 requires that counties must have a documented need for the project to be funded by the 2007 Local Youthful Offender Rehabilitative Facility Construction Funding Program. This new regulation was added to describe how the counties must document their need for a new local juvenile facility or expand the rated capacity of their current local juvenile facility to be funded pursuant to Title 24, CCR, Part 1, Section 13-201(c)2.

**Section 1840, Proposal Evaluation Criteria.** Proposals submitted by counties will be evaluated to determine how they will be ranked for available funding. This new regulation was added to describe the criteria by which proposals will be evaluated.

The evaluation criterion for the county's approach to the rehabilitation of youthful offenders was included to assess the county's role in the rehabilitation of youthful offenders, determine the county's rehabilitation and recidivism-reduction programs for youthful offenders, assess the results of process and outcome evaluations of county rehabilitative programs, determine the county's future plans for the rehabilitation of youthful offenders, determine the risk and needs assessment tools and practices used locally for youthful offenders, determine how assessment findings are used to assign youthful offenders to programs and assess the proposed facility classification system for youthful offenders.

The evaluation criterion for the documentation of need for the project was included to identify the county's needs as documented in the Needs Assessment, if applicable to the county's proposed project. Also included is an assessment of statistical data, security, safety, health, program and service needs, as well as issues of non-compliance with findings or recommendations from state and local authorities, litigation, court orders or consent decrees relating to conditions of confinement or crowding and information regarding any court-ordered caps on population or CSA crowding assessments.

The evaluation criterion for the relationship between the construction plan and rehabilitation of juvenile offenders was included to assess how the proposed construction, expansion or renovation will assist in the rehabilitation of youthful offenders.

The evaluation criterion for the use of detention alternatives was included to determine what programming efforts have been undertaken, including evidence-based programs designed to reduce recidivism among local youthful offenders.

The evaluation criterion for scope of work and project impact was included to determine what components of the scope of work are payable from state funds, cash match and in-kind match funds, how the scope of work will meet identified needs or mitigate, remedy or improve existing conditions, assess to what degree the construction will be "green" and how it will support new information technology. This criterion was added to enable the evaluators to fully understand the scope of work and project impact.

The evaluation criterion for an administrative work plan will be based on an assessment of the degree to which the county's proposal provides a clear and comprehensive plan for designing, performing and managing the proposed project that is likely to result in success. This criterion was added to enable the evaluators to understand how the county intends to manage the project.

The evaluation criterion for cost-effectiveness and budget review was included to assess a county's justification for the amount of state funds requested, determine how the project addresses the identified needs and how the benefits will be worth the costs, determine the steps taken to minimize construction, expansion or renovation costs and determine to what extent other funding streams are identified to enhance or support construction, expansion or renovation that will help stretch the impact of state funds.

The evaluation criterion for the overall quality of the written proposal was included to assess to what degree a proposal is clear and easy to understand; whether or not the proposal is organized per the directions; and if the proposal is comprehensive and includes all of the required narrative elements and addresses all of the criteria.

The evaluation criterion for cash match was included pursuant to the new statutory language that requires a total of 25% match. Large counties must contribute a minimum of 10% as cash match (and 15% in-kind match) while the medium and small counties must contribute a minimum of 5% cash match (and 20% in-kind match). (Government Code Sections 15820.907 and 15820.917 indicates that the Authority may reduce matching fund requirements for small counties.) The evaluation of cash match is based on a computed factor that awards counties that contribute higher percentages of cash match than the minimum required. This factor provides incentive to counties to provide more of their own money and will help maximize the use of state funds with county matching funds and will contribute to more local youthful offender rehabilitative facilities built.

The evaluation criterion for regional facilities was included to encourage and reward a consortium of counties proposing a regional facility.

**Section 1847, Pre-funding Requirements.** This new regulation describes the requirements to be fulfilled before a Project Delivery and Construction Agreement can be entered into between the participating county, State Public Works Board, CDCR and the Authority. The pre-funding requirements are necessary in order for the Authority and CDCR to certify to the State Public Works Board that the ownership interest of the participating county of the site or sites for the project is adequate for the purposes of its financing of the project.

**Section 1848, Requirements for the Project Delivery and Construction Agreement.** This new regulation describes each of the required elements of the project delivery and construction agreement between the participating county, State Public Works Board, CDCR and the Authority. The elements listed in this new regulation are required by statute and are necessary to the lease revenue bond funding process through the State Public Works Board.

**Section 1849, Submittal of Architectural Drawings and Specifications.** New statutory language requires the Authority to review and approve the plans and specifications of local youthful offender rehabilitative facilities considered for funding through the 2007 Local Youthful Offender Rehabilitative Facility Construction Funding Program. This new regulation describes the requirements for that process. The maximum thirty (30) calendar day review period for the Authority to review the county's project plans and specifications is a time period imposed by and on the Authority itself so that counties can anticipate how long the review takes. This is critical for counties in developing their construction timetable.

**Section 1850, Staffing Plan/Operating Cost Analysis.** New statutory language requires that counties are required to staff and operate local youthful offender rehabilitative facilities built through the 2007 Local Youthful Offender Rehabilitative Facility Construction Funding Program. This new regulation requires that counties develop a plan that describes how the new facility will be staffed and how its operation will be funded. The terms "post identification" and "transition team program statement" as utilized in this section are not defined as these are terms of art that have a standard use and understanding in the probation industry. The county will also be required to submit an analysis of a thirty (30) year lifecycle for operating costs and maintenance and energy costs for the proposed facility. This is to ensure that the county has considered costs beyond the construction costs, and has acknowledged the on-going operating costs of a youthful offender rehabilitative facility over the typical thirty (30) year lifecycle of such facilities.

**Section 1851, General County Requirements.** This new regulation describes a participating county's responsibilities as delineated in California Welfare and Institutions Code Sections 170, 174, 171, 174. Although these requirements are referred to in other sections of the regulations, it is important to reiterate them here, in one section, for emphasis and easier reference.



**Section 1852, Ground Lease.** This regulation was added to facilitate the transfer of the possession and control of the property upon which the local youthful offender rehabilitative facility will be constructed from the county to CDCR. This is an important component of lease-revenue bond financing because the State of California must "own" the property in order to sell bonds. The elements of the regulation are included to support the State Public Works Boards' effort in selling lease-revenue bonds. This regulation also includes language to protect the State of California from liability associated with pre-existing environmental hazards which may not be discovered until after the ground lease is signed.

**Section 1853, Right of Entry for Construction.** This regulation was added to authorize the participating county and their contractors to use the site that has been leased to CDCR via the above referenced ground lease. This regulation also contains language that protects the State of California from claims and losses arising out of the construction of the local youthful offender rehabilitative facility.

**Section 1854, Facility Sublease.** As indicated in the new Section 1852, the property upon which the local youthful offender rehabilitative will be constructed is leased to CDCR for the purpose of selling bonds. This regulation was added to describe the requirements to sublease the local youthful offender rehabilitative facility to the county for its use, operation and maintenance. This regulation also contains language that protects the State of California and describes the parameters of how the county may use and occupy the local youthful offender rehabilitative facility. The term Continuing Disclosure Agreement, as used in this section, is not defined because it is a term of art that has a standard use and understanding in the real estate field.

#### **ARTICLE 4. ADMINISTRATION OF THE PROCEEDS OF THE STATE BOND FUNDS AND PROJECT MONITORING**

**Section 1856, Disbursement of the Proceeds from the Lease Revenue Bond Funds.** This new regulation describes how the proceeds from the lease-revenue bonds are disbursed to participating counties. It includes the Authority's responsibilities in developing a payment schedule and the conditions for payments and the participating county's responsibilities in providing supporting documentation. The term "conditional award" as utilized in this section, is not defined as it is a common term recognized and used in standard contracting practices. This regulation also describes the security retention of twenty percent (20%) of county payments to be released upon compliance with all contract terms. The amount of the retention, (twenty percent (20%)), was chosen based up the Authority's experience in administering previous construction funding projects and is a reasonable amount considering the amount of state dollars involved in local youthful offender rehabilitative facility construction projects. Pursuant to California Welfare and Institutions Code Section 1975, this new regulation requires that counties agree to staff and operate the youthful offender rehabilitative facility within ninety (90) days of construction completion.

**Section 1857, Pooled Money Investment Board.** This new regulation describes the financing provided by the Pooled Money Investment Board (pursuant to Government Code Sections 61312 and 61313) through the CDCR to the participating county, for the local youthful offender rehabilitative facility project until lease-revenue bonds are available.

**Section 1860, Accounting.** This new regulation describes the accounting requirements that participating counties must adhere to if awarded state funds though the 2007 Local Youthful Offender Rehabilitative Facility Construction Funding Program.

**Section 1866, Monitoring of Process.** This new regulation describes the project monitoring requirements of the Authority and the Board.

**Section 1867, Completion of Project.** This new regulation requires the county to construct the project in accordance with the agreements, plans and specifications as approved by the Board and the Authority.

**Section 1868, Project Modifications.** This new regulation describes the process that participating counties must follow if modifications are needed to their project. The term “conditionally awarded” as utilized in this section, is not defined as it is a common term recognized and used in standard contracting practices.

**Section 1870, Audits.** This new regulation describes the audit requirements that participating counties must adhere to if awarded state funds through the 2007 Local Youthful Offender Rehabilitative Facility Construction Funding Program. The county is required to perform a financial audit of its project within ninety (90) days following construction completion. This ninety (90) day timeframe is the standard timeframe used in previous construction funding projects administered by the Authority and has proved to be reasonable and beneficial for closing out projects in a timely manner.

**Section 1872, Unused Proceeds of Lease Revenue Bonds.** This new regulation clarifies that counties will not receive the proceeds of lease-revenue bonds in excess of the amount of the conditional award provided by the Authority and further stipulates the process that occurs in the event a participating county does not use all the state funding that was awarded to them. The term “conditional award” as utilized in this section, is not defined as it is a common term recognized and used in standard contracting practices. This new regulation allows three repayment options for the county. If the county chooses to repay the state by way of county warrant, then they must do so within thirty (30) calendar days of the date of notification by the Authority. The thirty (30) calendar day time frame for repayment has been utilized in prior construction funding projects administered by the Authority and has been considered a reasonable timeframe.

## **ARTICLE 5. APPEAL PROCEDURES**

**Section 1876, Purpose.** The intent of this new regulation is to describe the scope of the regulations in Article 5, those regulations that counties would follow in the event that they objected to the proposal evaluation and rating process.

**Section 1878, Definitions.** This new regulation defines terms used throughout the following regulations.

The definition of "Appeal hearing" was developed to describe the administrative process that provides a participating county the formal opportunity to object to the proposal evaluation and rating process.

The definition of "Appellant" was included to describe the participating county that has an objection to the proposal evaluation and rating process.

The term "Authority" is used as an abbreviation of Corrections Standards Authority.

The definition of "Authorized representative" was included to describe that person authorized by the appellant to act as his/her representative in any or all aspects of the hearing.

The definition of "Executive Director" was provided to describe the Executive Director of the Corrections Standards Authority.

The definition of "Filing date" was included to describe the date a request for an appeal hearing is received by the Executive Director's office at the Corrections Standards Authority.

The definition of "Hearing panel" was included to describe the panel of three members of the Authority, selected by the chairperson at the time the appeal is filed. (A fourth member may be designated as an alternate.) This regulation also specifies that panel members must adhere to explicit conflict of interest requirements.

The definition of "Notice of decision" was included to describe the Executive Director's written document that contains the formal decision of and the reason for that decision.

The definition of "Proposed decision" was included to describe the written recommendation from the hearing panel/hearing officer to the Authority that contains a summary of facts and a recommended decision on the appeal.

The definition of "Request for appeal hearing" was included to describe the written expression of dissatisfaction about the proposal evaluation and rating process; the request for a hearing on the matter; and its filing with the Executive Director of the Authority.

**Section 1888, Request for Appeal Hearing by Corrections Standards Authority.** This new regulation describes the process of how a participating county can request an appeal hearing regarding their dissatisfaction about the proposal evaluation and rating process. The appeal must be filed within thirty (30) calendar days of the notification of the action with which the county is dissatisfied. This appeal process and timeframe has been utilized in prior construction funding programs administered by the Authority. Thirty (30) calendar days provides ample time for counties to file an appeal with CSA and is reasonable considering that adding more time to the appeal process would delay the award of conditional funding to counties.

**Section 1890, Corrections Standards Authority's Hearing Procedures.** This new regulation describes the Authority's formal hearing procedures. It requires that the hearing be conducted not later than twenty-one (21) days after the filing of the request for the hearing with the Authority, unless delayed for good cause. It further requires that appeal hearing matters be heard and disposed of by a notice of decision within sixty (60) days from the date of the request for appeal hearing, with some exceptions. This appeal hearing process and timeframes has been utilized in prior construction funding programs administered by the Authority and is reasonable considering that adding more time to the appeal process would delay the award of conditional funding to counties.

**Section 1892, Corrections Standards Authority's Decision.** This new regulation describes the Authority's process of receiving the hearing panel's appeal decision, adopting or amending the decision, notification to the participating county regarding the decision and making the records of the decision available to the appellant for one year after the date of the Authority's notice of the decision. This process and timeframe has been utilized in prior construction funding programs administered by the Authority and is reasonable considering that adding more time to the appeal process would delay the award of conditional funding to counties.